

NEW HORIZONS

2023 | A future-focused, growth-mindset
Annual Report.





CHAIRMAN'S REPORT

Dear Members,

I am pleased to bring you the Richmond Club Annual Report for 2022-2023. Yet again, we've faced a challenging year as a community and business, catering to the needs of our valued members and staff, the environment in which we live and work, and ensuring the profitability and longevity of the club.

Financial Results Summary

The Richmond Club Limited Group recorded a consolidated net loss for the year of \$2,951,184 which represents an improvement on the previous year's loss of \$3,728,725 by \$777,541 or 20.8%. The operational impact of these numbers are reflected in the earnings before interest, tax, depreciation and amortisation (unadjusted for extraordinary items) of \$2,334,672 for the year compared to last year's \$686,728 – an improvement of \$1,647,944 or 240%.

These results were impacted, inter alia, by COVID-19 closures which, last financial year, kept the Club related businesses closed for the first quarter of that year. This financial year the aged care related sections of the business experienced five lockdowns during the course of the financial year in July '22, November '22, December '22, Mar '23 and April '23.

The results were also impacted by the floods which occurred in the first four months of the financial year under review and resulted in

no golf carts allowed on the course for 68 days in the first third of the year, and, no golf play allowed for 33 days for the same period. One or both Club Houses were also closed partially or completely for 46 days as a result of the floods.

While depressed by the above factors, revenue increased by \$3,492,463 or 14.3% to \$27,989,469 (2022: \$24,497,006).

Revenues from operations increased by \$5,754,101 or 27.7% to \$26,522,23 (2022: \$20,768,131) and experienced growth in the following areas, ordered by greatest dollar growth; aged care revenue of 15.6%, gaming revenue of 40%, beverage and food revenue of 60.4%, and golf trading of 48.1%. Other revenues decreased by \$2,261,638, and this was almost entirely due to a decrease in COVID-19 Government payments and grants of \$2,723,237 offset by an increase in RAD interest income of \$611,902.

Expenditure increased by \$2,795,894 or 9.9% to \$30,921,101 from \$28,125,207. These increases were affected, inter alia, by increases in finance costs of \$844,258 or 84.3%. This relates to an increase in RAD interest expenses of \$611,902 with the balance related to rising interest rates on lease and loan facilities. There were also two mandatory Fair Work increases in wage costs, being the 15% increase for direct Care workers and the annual 5.75% Fair Work increase. Wage costs increased by \$492,097

or 3.8% over the period. Insurance costs also increased by \$64,304 or 23.1%. Several cost increases were also linked to the relevant revenue increases, such as (in order of greatest dollar growth); gaming machine expenses and taxes increased by 68.1%, golf expenses increased by 76%, beverage and catering cost of goods sold increased by 64.7%, entertainment and promotions increased by 32.8%, support payments to the community increased by \$197,385 or 243.7%. Offsetting the above expenditure increases was the decrease in aged care facility expenses which decreased by 26.81%.

Gaming Landscape Shifting

Gaming revenues provide a crucial avenue for us to invest in community groups and organisations, as well as provide affordable, accessible, subsidised eateries and entertainment to our community. As one of the most highly regulated industries in Australia, maintaining numbers in the gaming industry has proven a challenge across the board. A recent extension to the outdoor gaming area has recently been opened and welcomed by patrons, providing a much-needed modification to outdoor gaming. While many clubs across the region have seen a reduction in gaming rates as interest rates and the rising cost of living take full effect, the Richmond Club has fought hard against major competition, even in the face of newer clubs opening their doors.



Hotel Development Progress

After many years of planning, we are thrilled to announce our plans for a new hotel are now back on the table after falling through with a previous developer during the pandemic. At the time of writing this report, the contracts are being prepared for execution under the original deal the members agreed upon, with a new developer. Increased hotel accommodation, something that is currently lacking in the region, will allow the Club to support events like the Australian Seniors PGA and many more in the future. Many clubs are now doing this in their communities.

Richmond Golf Club Review

The Golf Club has experienced ongoing challenges and is under review, but with a clear commitment from the Board to remain within its memorandum of understanding. The Government is increasing rental fees on Crown Land up to 200% and extensive reviews of the Golf Club are underway. The Australian PGA Seniors Championship, which attracts tourism from across the country, was a resounding success and a testament to our operations manager and marketing team, who delivered this world-class event which is now televised nationally. The 2023 PGA is shaping up to be a success again.

Aged Care Operational Reforms

The most pressing challenge we face is dramatic reforms to the

aged care sector. These reforms are important steps towards a brighter future for residents but in the short term present enormous hurdles for operators. For example, some increased government funding has boosted the minutes of care for nursing home residents but has failed to improve the sector's financial position, with two in three aged care homes operating at a loss. The challenges facing Hawkesbury Living are not ours alone, but they are significant. Despite the reality that Australian nursing homes are recording average losses of \$16.54 per bed per day (FY23), we are making great strides in growing the aged care sector of our business. After all, our facility is founded on resolute principles of community.

Richmond Club was one of the very first clubs in NSW to address the critical issue of aged care and works to continually improve the services available in the community. Hawkesbury Living, Richmond Club's aged care facility, was founded in 1947 with 61 beds as a way to look after returned servicemen and has been upgraded to a 142-bed aged care facility which specialises in memory and dementia care.

While many of us are facing a tightening of the purse strings thanks to rising interest rates, petrol prices and food costs, Richmond Club is continuing to offer affordable food, fun and amenities to members and the community. Our restaurants offer

affordable, accessible family fun including a kids arcade room, family restaurant and sport thanks to reinvesting proceeds from gaming into our members and community. This is something of which I am incredibly proud. We hope that you will continue to enjoy spending time at the club.

I would like to thank our steadfast CEO Kimberley Talbot and the Board for their ongoing hard work in ensuring our club meets its potential and remains at the heart of the Hawkesbury community. I am also eternally grateful to our members for their support and understanding while we navigate these challenging times.

In conclusion I would like to extend my heartfelt thanks to all of our members for their support, feedback and understanding as we have navigated our way through another challenging year.

Yours Sincerely,

Geoff Luscombe
Chairman
Richmond Club, Hawkesbury Living
and Richmond Golf Club Ltd



CEO REPORT

Dear Members,

I am pleased to bring you the Richmond Club Annual report for 2021-2022 and share our dedicated team's hard work over the past 12 months.

Reflecting on this past year, I am humbled not only by our triumphs, but by the way we have collectively navigated many challenges faced by Richmond Club, Hawkesbury Living, Hawkesbury Living Cancer Trust and the Richmond Golf Club. Despite seemingly insurmountable adversaries and obstacles, our Board, management, staff and community members have come together to forge a way forward.

Aged Care Strategic Review

Over the past year the Board and I have engaged in a number of strategic workdays to clarify our aged care strategy pathway and review each part of the group, as is our standard practice. The emphasis has been on rebuilding after the unique challenges posed by COVID-19, flood and continued rain.

As outlined later in this report, there has been a major transformation to the aged care sector in Australia that has evolved over several years and many Royal Commissions. Government plans and the consolidation of this sector now means there's a preference for hotel-like, high density care. While the question of how boutique providers like Richmond Club's Hawkesbury Living will continue to remain viable remains to be

answered, I am incredibly proud of our role in the aged care space. Hopefully the newly developed national Aged Care Taskforce will deliver increased funding.

In order to continue providing care for our residents, a strategic review by the Board will take place next year to assess our direction into the future. A good company adapts to change and changing legislation, and a strategic pathway of our options informs judicious decision-making.

The Board carefully reviewed its position around its aged care subsidiary company, Hawkesbury Living, and the Richmond Golf club operations. Clearly, 15 out of 18 years of aged care have been reasonable years of profit and growth within that entity. COVID-19, the unprecedented pace of government reform has been extremely challenging, seeing many providers' close doors or diversify their revenue streams.

Locally, we experienced the exit of Anglicare from the area which has allowed for other opportunities which we have entered into and will have been developed through the last part of the fiscal year and well into 2024. This will create a strong collaboration with the local university, which in turn will lead to a stronger workforce grown locally. The workforce post COVID-19 is a major challenge in all areas of business, however this collaboration will help to ensure we have minimised that risk to a degree.



The collaboration also has positives around the further growth in the sector but more than likely in the area of assisted living.

With all that known, we are excited to announce a new 62-bed site will open at the Western Sydney University in March 2024, following negotiations to arrive at a pragmatic and positive collaboration that benefits our region and, importantly, its older residents.

Future Golf Clubhouse Options

The Richmond Golf Club remains an ongoing challenge. A comprehensive and sensible submission was put to the government requesting their consideration for an acquisition by Richmond Club of the Crown Land that the course is on. The response from the government was complicated, to say the least. A brief comparison of other Golf Club membership structures indicates the Richmond Golf Club structure provides many discounts to veterans and seniors. These discounts materially reduce our revenues, as does the decrease in the foot traffic to the clubhouse relative to other clubhouses. It is clear there is no easy path forward for two clubhouses within a short distance from each other without substantial funding to improve the clubhouse facilities.

The main club has been expending enormous efforts to maintain its existing status in terms of revenue levels. The introduction of Alpha

Catering for functions, Abbys Coffee shop and repositioning the outdoor gaming area are the outcomes of this year. We are now well underway with the new foyer and main bar renovations soon to commence on site. Works are also commencing the relocation of our beverage cool room to Toxana Street. This is the first stage of the club of the future in preparation for the hotel.

Prioritising Purpose Over Profits

At this point I'd like to thank the team and the amazing staff we have here. That is what makes Richmond Club the heart of Hawkesbury. It may not be the leader in gaming revenue, but we truly have a purpose here that is not solely to concentrate on taking money from the least that can afford it through our own diversification and true commitment to the broader community, no matter how hard it is to achieve that at times. For those that lost a loved one this year, our sincere thoughts go out to you.

To Rob and Tanya at the pro shop you have made the last four years seamless, and you both are truly professionals. You will be missed, however we welcome the new Golf Pro Nick Bannan to the organisation and will work with him to build on the success of our existing operations.

May the year ahead allow us to consolidate and deliver strategic outcomes unencumbered so that our members and our community

may continue to benefit from our facilities, our offerings and our continued hard work.

Kind Regards,

Kimberley Talbot
Group CEO
Richmond Club, Hawkesbury Living
and Richmond Golf Club Ltd

OUR LEADERS

Driving change



GEOFF LUSCOMBE

Geoff Luscombe brings attributes of leadership, professionalism, and ethics to his 14 year role as Chairman of the Richmond Club Board.

Geoff is a third generation local who joined the club aged 18. His connection with it dates back to 1947 when his father and uncle were two of the 22 individuals who established the club after returning home from war.

Geoff's father remained on the Board for 50 years. Geoff succeeded him in 1997, at which point he went on to serve as Vice Chairman for seven years, then Chairman. Geoff, his father and his uncle are all life members. To this day his mother is the only female life member of the Richmond Club.

Geoff was in the local police force for 18 years. Upon retirement he established a successful real estate business. Geoff is especially proud of the club's nursing home build, golf club acquisition, impact of the cancer trust and Wanderest Park, and expects further success with the new hotel, upstairs function room and extensions to the club.



GARRY WATTERSON

Garry Watterson is a seasoned director in the district, having served on many groups in the community. They include the international dragway, community action group, the powerboat club for over a decade and a hot rod club where he is a life member of more than 26 years.

Garry's parents were members of the Richmond Club and both served on the Board for nearly two decades. Garry is Vice Chairman of both Hawkesbury Living and the Richmond Club. He is enormously proud of the club's community initiatives including work with local people experiencing homelessness, sports sponsorships, oncology services and aged care. The community-focused local, born and raised in the Hawkesbury, regularly liaises with government and senior public servants.

For a decade Garry played a central role in the Skilled Olympics, including its inaugural year. He has achieved significant success over a decade as a founding manager of UWSCoast.

KIMBERLEY TALBOT

Kimberley Talbot has been the Group Chief Executive Officer for Richmond Club since 2005 - but her ties to the club go back more than two decades. Kimberley held the role of General Manager of Richmond Club since the year 2000. With the guidance and collaboration of the Richmond Club Board, Kimberley has driven the growth and transformation of this vital community asset to include aged care services and accommodation.

She's also been instrumental in preserving the prestigious Richmond Golf Course through the development of the Richmond Golf Club, while also implementing a multi-year business strategy, diversifying revenue streams and providing leadership to a workforce of more than 230.

Kimberley has been recognised for professional achievements numerous times, including being awarded for outstanding contribution to the club movement by Clubs NSW.

The Board is proud to have formed the Hawkesbury Living Cancer Trust and appointed the independent Cancer Trust to oversee and raise the funds in line with Kimberley's vision for more services to the Hawkesbury, especially in the oncology and infusion fields. Kimberley has also been instrumental in acquiring and developing the subsidiary aged care company Hawkesbury Living and its ongoing success.

JAMES BULLOCK

James Bullock joined the Board as a former director of the Richmond Golf Club, where he was treasurer during the amalgamation with Richmond Club.

After 50 plus years of experience in local business across North Richmond and Windsor, James' son has now taken the reins to the family business. James has taken the opportunity to return to the books, studying chaplaincy.

James brings to the Board stability, inclusiveness and a balanced approach to decision making. He is buoyed by delivering the club's vision from a masterplan set over 25 years ago, which is underpinned by a desire to build a healthy and inclusive community.

James is also a director of over 16 years of the Kurrajong Nursing Home, where he has been the treasurer. He believes the successful expansion of the nursing home delivers a critical service in the community.

Joining the Richmond Club Board seven years ago, James says the appointment of the club to host the Senior's PGA has been a coup for the region.



PETER CHIDGEY

Peter Chidgey has served on the Richmond Club Board for 16 years. He was initially appointed for his strategic planning expertise in aged care at a time when the club was undertaking the monumental Hawkesbury Living merger.

A Richmond Rotarian for more than 30 years, Peter has a community-first mindset coupled with vocational knowledge in real estate and aged care.

His knowledge of land, population, zoning, acquisitions and growth opportunities has contributed to the expansion of the nursing home from 65 to 138 beds in a decade and the acquisition of the Richmond Golf Club.

The proprietor of real estate franchises in Pitt Town, Richmond and Windsor enjoys the camaraderie and entrepreneurial culture of the Board that allows it to realise its vision and thrive through challenges such as changes to smoking regulations and the introduction of poker machines to clubs.



ELISSA ESPOSITO

Elissa Esposito is a highly engaged member of the Richmond Club whose appointment to the Board provides a direct connection to the current and future membership base. Relocating to the Richmond area with her husband's military career in the mid 2000s, the couple now operate a successful, independent finance company providing mortgages and refinancing to the community.

They provide residential loans, business loans, car and equipment leasing and secured and unsecured personal loans to their clients across the Hawkesbury and Penrith region.

As an active user of the Richmond Club's many facilities - from the gym to the bistro - Elissa is an approachable representative of the Board. Her perspective as a mum, business woman and club member ensures members and the local community are at the core of all her decision making.



DIANNE FINCH

Dianne Finch is the former Deputy Mayor of Hawkesbury who chaired innumerable committees during her tenure on council between 2007 and 2011.

Her professional experiences include time as the global marketing manager for a major Sydney resort, launching a global export business, and careers in banking, fashion and importing.

Prior to joining the Richmond Club Board, Dianne had deep regard for its role as a community hub where local organisations like the Rural Fire Service and Rotary could meet free of charge.

A community-minded leader, Dianne has been president of Legacy and involved with charities for assisting the homeless, a local Anglican church, and the bushfire brigade.

The highly-connected local grew up in Kurrajong, where she still lives today, and is renowned for her positivism, political aptitude, promotional skills, and innovative thinking. Dianne is also a marriage celebrant and Justice of the Peace.



SCOTT RIELLY

Scott Rielly has been on the Group Board of Director since 2019 following several years on the Richmond Golf Club management committee.

Professionally, Scott developed a crucial skill set in senior roles within Coca-Cola Euro-Pacific over the last 26 years and is known for his exceptional management of people.

Scott has been an engaged member of the golf club since 2011 and served on the management committee from 2018, navigating the golf club through a period of unrest. Scott brings structured, proactive and analytical long-term thinking as a director, and a long history with community sporting organisations including NSW Rugby League, softball, Little Athletics, and Football NSW. He is raising a family of three boys in the Hawkesbury.

RAY MEDINA

As Managing Director of his own business since May 2014 following years of executive level leadership with national entities, Ray Medina's experiences have endowed him with a keen business insight, adaptability, and the ability to drive growth—traits that are invaluable to his Board role at Richmond Club. His aptitude for strategic planning, staff motivation, and operational management are complemented by a personal entrepreneurial spirit that ensures resilience and innovative problem-solving capabilities.

He has honed his leadership skills, underpinned by a diverse career that includes roles such as General Manager at Mezzanine Engineering and Group General Manager at Ace Rack / Ace Shelving.

A self-starter, Ray launched his first business at 18, capitalising on his dynamism as a DJ before venturing into retail with a hardware shop. His strategic prowess was further demonstrated in overseeing operations for Raymor Plumbing Supplies across 26 outlets, a feat that led to senior positions at Tradelink Plumbing Supplies.

Ray is Richmond Club's newest Board director.

PETER WILLIAMS

Peter Williams is a second generation Richmond Club member. His lengthy banking career provides crucial finance judgements, risk awareness and business sense to the Richmond Club's development.

Peter is a business finance executive with a big four bank whose critical thinking and niche knowledge of specialised lending to licensed clubs, aged care and franchising underpins sound business sense. His forward thinking enables the growth ambitions of the club.

Peter has a particular interest in aged care - his mother resided in the Richmond nursing home until she was 91.

He has been a member of the club since he was 18, a keen member of the golf club, and even held his wedding reception at the club some 30 years ago.

OUR HISTORY

Helps carve our future



2016

The Bouncing Bean Café is renovated and relaunched as the Crafty Brew in September.

Arcadia Entertainment opens in December.

2018

Building work commenced on Rivera Place. Sandstone retaining wall completed on the marquee hole at Richmond Golf Club.

Winner for Most Inclusive Employer award at Hawkesbury Business Awards.

Australia PGA Seniors Championship - \$90,000 prize purse. Winner Michael Long at Richmond Golf Club.

2019

Rivera Place completed three weeks ahead of schedule, first resident moves in June 11.

Villaggio Bistro opens June 29.

Major renovations, including: New function room renovations, Gaming lounge renovations, Coffee shop improvements, Hotel accommodation DA awaiting approval.

2015

Richmond Club undergoes extensive renovations over an 18 month period. The exterior of the club is repainted and the outdoor terrace is opened. Fences and entries are redeveloped. Star Buffet opens in April and Bistro Smiles is relocated to the Golf Club.

2013

The amalgamation between Richmond Club and Richmond Golf Club is finalised following the approval of members and the securing of a 32 year lease of the course land.

2012

Golf Club amalgamation.

2011

Magnolia Place, a specialised memory care wing of Hawkesbury Living, is officially opened in February. A further 33 bed extension of Hawkesbury Living is also approved.

2010

Wanderest Travellers Park is launched in October to increase tourism locally.



1897

Golf is first played in the district by a group of 11 players on the Richmond Common. The Richmond Golf Club was officially formed in 1899 with 17 gentlemen and 10 lady members.

1916

The Golf Club goes into recess due to the First World War and a War Barracks is built on the site of the modern day clubhouse. The club remains dormant for the next 12 years.

1942

After a period of success in the 1930's, the club is again hit by war, as the clubhouse burns to the ground while being used to house American soldiers during the Second World War.

1947

After identifying the needs of ex-servicemen in the Hawkesbury, the inaugural meeting of the Richmond Ex-Servicemen's Club is held on May 16 at the Drill Hall on Bosworth St, Richmond.

1949

The Richmond Memorial Men's Bowling Club is formed.

2023+

our new era

2020

COVID-19 Worldwide pandemic hits with lockdowns in effect from March

Devastating fires go through the Hawkesbury region, crippling businesses and the local community in November and December.

2021

In March the Hawkesbury experiences its worst floods in 30 years. June, the COVID-19 Delta variant brings NSW to a second standstill with a State-wide lockdown that lasts 15 weeks. Hawkesbury Living falls casualty to the pandemic with COVID-19 cases in August.

2022

The COVID-19 pandemic and La Nina devastating the Hawkesbury community with flooding causes the Golf Clubhouse to be closed 164 days this financial year. Following the Royal Commission into Aged Care, regulations and bank financing have seriously destabilised our operations, deeming aged care unprofitable, a balance needs to be struck.

2009

Hawkesbury Living Cancer Trust is formed to deliver much needed oncology services to the Hawkesbury. Approved by the Board of Directors of Richmond Club.

The Butler Wing of Hawkesbury Living is completed at a cost of \$2.2 million.

2007

An extension of 12 beds is approved for Hawkesbury Living.



2005

It is proposed by current CEO that the Nursing Home merge with Richmond Club to counter increasing losses at the home.

Richmond Club acquires the Nursing Home and forms its subsidiary company, Hawkesbury Living.

Active8 Gymnasium is opened.

1992

Richmond Ex-Servicemen's Club donates 88 acres of land to the community for the development of the Benson's Lane Sporting Complex.

1957

Richmond Community and RSL Nursing Home is founded.

1959

The Richmond Memorial Ladies Bowling Club is formed. Extensions to the clubhouse and golf course at Richmond Golf Club are completed, and the 18 hole course is officially opened.

1968

Extensions to the Richmond Ex-Servicemen's clubhouse are completed at a cost of \$250,000.

1981

Norman Court Retirement Units are officially opened.



1998

The club is handed over to the community and is renamed to Richmond Club Limited, with 'Remembering Ex-Servicemen' in its title.



Richmond Club Limited & Controlled Entity

ABN 14 001 034 911

Annual Financial Report for
the year ended 30 June 2023

RICHMOND COMMUNITY CLUB LIMITED

ABN 14 001 034 911

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

Contents	Page
Directors' report	15-17
Auditor's independence declaration	18
Financial statements	
Statement of profit or loss and other comprehensive income	19
Statement of financial position	20
Statement of changes in equity	21
Statement of cash flows	22
Notes to the financial statements	23-37
Directors' declaration	38
Independent auditor's report to the members	39-40

These financial statements are the financial statements of Richmond Club Limited & Controlled Entity. The financial statements are presented in the Australian currency.

The financial statements were authorised for issue by the Directors on 07 November 2023. The Directors have the power to amend and reissue the financial statements.

Directors' report

Your Directors' present their report on Richmond Club Limited (the Company) for the year ended 30 June 2023.

Directors details

The following persons were Directors' of Richmond Club Limited during the financial year, and up to the date of this report:

Mr Geoffrey Luscombe

Chairman, elected 18 November 2009
Director since 1998

Chairman 14 years. Vice Chairman 10 years. Board member 25 years. Club member 47 years.

Retired Police Officer, Real Estate Agent.

Mr Peter Chidgey

Board Member
Director since 2005

Board member 18 years. Vice Chairman 7 years. Club member 20 years.

Company Director, CEO.

Mr James Bullock

Board Member
Director since 2015, resigned 10 October 2023

Board member 8 years. Club member 17 years.
Business Owner/Director.

Mr Scott Reilly

Board Member
Director since 2019, resigned May 2023

Club member 7 years.
Business Development Manager at Neverfail

Mr Garry Watterson

Vice Chairman, elected 1 November 2013
Director since 2004

Vice Chairman 10 years. Board member 20 years. Club member 39 years.

Retired Retail Services Manager.

Ms Dianne Finch

Board Member
Director since 2015, resigned 10 October 2023

Board member 8 years. Club member 32 years.

Business Owner. Retired Vice Mayor & Councillor of Hawkesbury City Council.

Ms Elissa Esposito

Board Member
Director since 2019

Club member 7 years.
Self Employed Mortgage Broker.

Mr Peter Williams

Board Member
Director since 2021

Board member 2 years. Club member 2 years.
Business Finance Executive at a big four bank

Company secretary

Kimberley Talbot is the Group Chief Executive Officer and is the Company Secretary.

Director's meetings

The number of meetings the Directors held during the year and the number of meetings attended by each director is as follows:

Board members	Board meetings	
	A	B
Mr Geoffrey Luscombe	10	9
Mr Garry Watterson	10	10
Mr Peter Chidgey	10	10
Mr James Bullock (resigned October 2023)	10	10
Ms Dianne Finch (resigned October 2023)	10	9
Ms Elissa Esposito	10	8
Mr Peter Williams	10	5
Mr Scott Reilly (resigned May 2023)	6	6

Where:

- column A: the number of meetings the Director was entitled to attend
- column B: the number of meetings the Director attended

Principal activities

During the year, the principal activities of the Company was to conduct a licenced social, sporting and recreation club and the operation of a nursing home and retirement units in Richmond, NSW through its controlled entity.

Short-term objectives

The short-term objectives are to:

- Continually improve the quality of services we provide including food, beverage, gaming, sport, recreation, fitness, children's play area, caravan facility, function centre, entertainment, residential aged care, tourism, golf, and other complimentary services;
- Continue working toward the health and wellbeing of our children, seniors and community including the provision of sport and recreation;
- Cater for our older community and those with special needs, developing health and wellbeing;
- Improve net cash inflows;
- Continually improve and enhance social inclusion programs through our venues and the local community;
- Extend the caravan facility and assist in the development of sustainable tourism through the Hawkesbury and adjoining Local Government Areas;
- Continue to improve our facilities at the registered clubs including integrating the Hotel complex with the Club.
- To review and assess the short term and long term impacts of the recommendations from the Royal Commission into Aged Care Quality and Services and consider how best to position Hawkesbury Living Aged Care for the future relative to these findings.
- To assess the fiscal and communities long and short-term impact of the COVID pandemic and to continually work towards a fiscal recovery which will allow the company to meet its long term objectives.
- To manage the mental health issues arising from the COVID pandemic related not only to employees but to our members and assist where possible.

Long-term objectives

The long-term objectives are to:

- Continually improve the quality of services we provide including food, beverage, gaming, sport, recreation, fitness, children's play area, caravan facility, function centre, entertainment, residential aged care, tourism, golf, and other complimentary services;
- Continue to embrace the sacrifice of our servicemen and women past, present and future;
- Provide a balance of planet, people and profit for communities of the Hawkesbury and surrounding districts;
- Maintain a high standard of aged care and quality services and to develop those services for the group;
- Continue providing Hawkesbury residents with a sense of dignity as well as comfort, privacy and safety levels;
- Provide affordable, independent housing;
- Assist in the development of Hawkesbury Living Cancer Trust and the Len and Margaret Peel Chemotherapy and Infusion Unit and remain the appointer of the Trustees;
- Improve golf course grounds, facilities and clubhouse services to players, members and guests;
- Build stage 4 of Hawkesbury Living and DA for stage 5;
- Reduce aged care waiting lists generally;
- Maintain the excellent course and facilities at Richmond Golf Club;
- Collaborate with other Aged Care providers to increase infrastructure in the Hawkesbury responsibility;
- Collaborate with relevant charities to assist in the provision of childcare services;
- Collaborate with local sporting groups to enhance sports in the Hawkesbury;

Strategy for achieving short and long-term objectives

To achieve these objectives, the Company adopted the following strategies and measures of performance;

- The use of benchmarking and key performance indicators within that process including profitability, efficiency, membership, staff productivity cost control, gross profit in core trading areas, ratios, marketing, cashflow from operations to reinvestment in capital expenditure and community support. Community support performance is not only the amount of funds directed to that area but the amount of "in kind" support provided;
- To continually strive to operate efficiently and in a manner that is consistent with accepted business practice to ensure facilities are preserved, member benefits are maintained and community support is ongoing;
- We constantly monitor member, guest and residents satisfaction of services and facilities;
- The training of employees to ensure the highest levels of service are provided to our members, guests and aged care residents;
- The company is actively involved with government representatives and departments with the club and aged care environments;
- Assessment and other accreditation standards and other responsibilities as required by the Aged Care Act 1997; Assessments include surprise and arranged visitations.

Review of operations and financial results

The Group continued to operate Richmond Club, Richmond Golf Club and Hawkesbury Living Aged Care during the year ended 30 June 2023.

The operating loss of the Group after tax amounted to \$2,951,184 which represents an improvement on the previous year's loss of \$3,728,725 by \$777,541 or 20.8%. Revenue was \$27,989,469 which was a 14.3% increase on last year result of \$24,497,006. These results were materially impacted by:

- The five Covid lockdowns impacting the Aged Care in July 22, November 22, December 22, March 23 and April 23.
- The floods which occurred in the first four months of the financial year resulting in full and partial closures of the golf course as well as both of the Clubs facilities.
- Reduction in the Covid Government payments and Grants received in the prior year.
- Increases in finance costs of 84.2% due to rising interest rates.
- Increases in insurance costs of 23.1%.

Performance measurement

The Company measures its performance against industry benchmarks, profit and net profit percentage of divisional trading areas. The Company also uses total net profit and EBITDA to measure the financial performance of the Group overall.

Events since the end of the financial year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

Following the impact of five Covid Aged Care lock downs, as well as the floods the Group expects to continue to focus on increasing its level of operations and improving its financial performance by growing revenue and managing expenditure.

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, each member is liable to contribute no more than four dollars. The collective liability of members was \$78,932 (2022: \$77,152).

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 18 and forms part of this Directors' report.

This report is made in accordance with a resolution of the Directors.



Geoffrey Luscombe - Chairman

Dated: 31 October 2023
Richmond, NSW

Auditor's independence declaration

To the Directors of Richmond Club Limited & Controlled Entity

In accordance with the requirements of the Corporations Act 2001, as lead auditor for the audit of Richmond Club Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Mahony - Partner



Pitcher Partners NH Partnership
Chartered Accountants

Dated: 31 October 2023
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Richmond Club Limited & Controlled Entity

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

		2023	2022
	Notes	\$	\$
Revenue from continuing operations	2	26,522,232	20,768,131
Other income	3	1,467,237	3,728,875
Cost of goods sold	3	(690,445)	(419,141)
Employee benefits expense	3	(13,549,841)	(13,057,744)
Finance costs	3	(1,846,088)	(1,001,830)
Depreciation, amortisation and impairment expense		(3,420,216)	(3,313,099)
Other expenses	3	(11,136,130)	(10,252,397)
Support payments to the community		(278,381)	(80,996)
		(30,921,101)	(28,125,207)
Profit / (loss) before income tax		(2,931,632)	(3,628,201)
Income tax expense	4	(19,552)	(100,524)
Profit / (loss) for the year		(2,951,184)	(3,728,725)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income / (loss) for the year		(2,951,184)	(3,728,725)

The above *statement of profit or loss and other comprehensive income* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity
Statement of financial position
As at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	6,797,817	2,838,572
Trade receivables	6	508,003	765,094
Inventories	7	65,789	56,908
Financial assets at amortised cost	8	173,093	223,843
Other assets	9	111,784	57,405
Total current assets		7,656,486	3,941,822
Non-current assets			
Property, plant and equipment	10	50,749,744	52,636,246
Intangible assets	11	1,229,411	2,249,799
Leased asset	12 (a)	1,293,666	718,124
Other assets	9	7,176	5,489
Deferred tax assets	13	436,789	439,924
Total non-current assets		53,716,786	56,049,582
Total assets		61,373,272	59,991,404
LIABILITIES			
Current liabilities			
Trade and other payables	14	2,538,155	3,976,933
Financial liabilities	15	30,517,465	25,068,404
Provisions	16	1,153,984	1,065,609
Other liabilities	17	384,525	441,961
Lease liabilities	12 (b)	374,377	217,411
Total current liabilities		34,968,506	30,770,318
Non-current liabilities			
Financial liabilities	15	35,388	339,730
Provisions	16	248,782	162,305
Lease liabilities	12 (b)	612,773	276,461
Deferred tax liabilities	13	1,826,291	1,809,874
Total non-current liabilities		2,723,234	2,588,370
Total liabilities		37,691,740	33,358,688
Net assets		23,681,532	26,632,716
MEMBERS FUNDS			
Reserves	18	10,383,903	10,383,903
Retained profits		13,297,629	16,248,813
Total members funds		23,681,532	26,632,716

The above *statement of financial position* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Statement of changes in equity

For the year ended 30 June 2023

	Revaluation Reserves	Retained Profits	Total
	\$	\$	\$
Balance at 1 July 2021	10,383,903	19,977,538	30,361,441
Profit/(loss) for the year	-	(3,728,725)	(3,728,725)
Total comprehensive income for the year	-	(3,728,725)	(3,728,725)
Balance at 30 June 2022	10,383,903	16,248,813	26,632,716
Profit/(loss) for the year	-	(2,951,184)	(2,951,184)
Total comprehensive income for the year	-	(2,951,184)	(2,951,184)
Balance at 30 June 2023	10,383,903	13,297,629	23,681,532

The above *statement of changes in equity* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Statement of cash flows

For the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from members and customers		28,559,978	23,042,457
Payments to suppliers and employees		(28,433,342)	(23,509,637)
Interest received		15,103	-
Finance costs		(561,150)	(261,615)
Government stimulus received		-	1,118,937
Net cash inflow (outflow) from operating activities		(419,411)	390,142
Cash flows from investing activities			
Payments for property, plant and equipment		(412,756)	(1,086,050)
Proceeds from sale of property, plant and equipment		-	190,000
Net cash inflow (outflow) from investing activities		(412,756)	(896,050)
Cash flows from financing activities			
Proceeds from borrowings		19,166,392	7,853,245
Repayment of borrowings		(14,021,673)	(8,033,674)
Repayment of lease liabilities		(353,307)	(291,748)
Net cash inflow (outflow) from financing activities		4,791,412	(472,177)
Net increase in cash and cash equivalents		3,959,245	(978,085)
Cash and cash equivalents at the beginning of the financial year		2,838,572	3,816,657
Cash and cash equivalents at the end of the financial year		6,797,817	2,838,572

The above *statement of cash flows* should be read in conjunction with the accompanying notes

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

1 Summary of significant accounting policies

(a) Information about the entity

- Richmond Club is a company limited by guarantee, incorporated and domiciled in Australia.
- Richmond Club is a not for profit entity for the purpose of preparing the financial report.
- The registered office of the Company is 6 East Market St, Richmond NSW 2753.
- The principal place of business of the Company is 6 East Market St, Richmond NSW 2753.

(b) Basis of preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Simplified Disclosures, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements are for the consolidated group consisting of Richmond Club Limited (the Company) and its controlled entity (the Group).

(c) Statement of compliance

This financial report complies with *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for Profit Tier 2 Entities* as issued by the Australian Accounting Standards Board (AASB).

The financial report has been prepared on an accruals basis and is based on historical costs, except for land and buildings which have been measured at fair value. The financial report is presented in Australian Dollars.

(d) Working capital deficiency

As at 30 June 2023, the Group has a working capital deficiency of \$27,312,020 represented by current assets of \$7,656,486 and current liabilities of \$34,968,506. This working capital deficiency represents an increase of \$483,524 from last years of \$26,828,496. The increase is entirely due to an increase during the year of nursing home accommodation bonds of \$6,132,797 to a balance of \$22,895,392 offset by reductions in the other net liability line items.

The working capital deficiency is caused by:

- Nursing home accommodation bonds totalling \$22,895,392 (2022: \$16,762,595).
- The Westpac loan of \$7,227,078 being classified as a current liability until the finance suppliers review is complete.

The Directors believe the above working capital deficiency will be satisfied through:

- The Group's cash balance at 30 June 2023 of \$6,797,817;
- The Group has loan facilities with Westpac bank with terms of 3 to 5 years and expect to receive ongoing financial support.
- The nursing home accommodation bonds are not expected to all be repaid within the next 12 months. The Directors also believe any accommodation bonds to be repaid will be satisfied with new resident bonds.
- The Group expects to continue to receive support from its suppliers and members.
- The Group has prepared a cashflow budget for 2024 and based on the forecast expect the Group to continue to trade with sufficient positive operating cashflows in order to meet its obligations to financiers, suppliers, employees and other creditors.

The Directors' are of the opinion the above will be achieved and the Group will continue as a going concern and meet its debts and commitments as they fall due. As a result, the Directors have prepared the financial report on a going concern basis.

(e) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

1 Summary of significant accounting policies (continued)**(f) Rounding of amounts**

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

2 Revenue**(a) Disaggregation of revenue from contracts with customers**

The Company derives revenue from the transfer of goods and services over time and at a point in time for the following services:

	Beverage and food revenue	Gaming revenue	Golf revenue	Residential aged care revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$
2023						
Revenue from contracts with customers	1,983,383	8,928,580	1,780,274	13,309,658	520,337	26,522,232
Other revenue (not covered by AASB15)	-	-	-	-	-	-
	1,983,383	8,928,580	1,780,274	13,309,658	520,337	26,522,232

Timing of revenue recognition

At a point in time	1,983,383	8,928,580	1,245,653	-	462,120	12,619,736
Over time	-	-	534,621	13,309,658	58,217	13,902,496
	1,983,383	8,928,580	1,780,274	13,309,658	520,337	26,522,232

	Beverage and food revenue	Gaming revenue	Golf revenue	Residential aged care revenue	Other revenue	Total
	\$	\$	\$	\$	\$	\$
2022						
Revenue from contracts with customers	1,236,735	6,374,347	1,201,535	11,515,180	440,334	20,768,131
Other revenue (not covered by AASB15)	-	-	-	-	-	-
	1,236,735	6,374,347	1,201,535	11,515,180	440,334	20,768,131

Timing of revenue recognition

At a point in time	1,236,735	6,374,347	687,530	-	390,514	8,689,126
Over time	-	-	514,005	11,515,180	49,820	12,079,005
	1,236,735	6,374,347	1,201,535	11,515,180	440,334	20,768,131

(b) Accounting policies and significant judgements

The Group recognises revenue related to the transfer of promised goods or services when a performance obligation is satisfied and when control of the goods or services passes to the customer. The amount of revenue recognised reflects the consideration to which the Group is or expects to be entitled in exchange for those goods or services.

The Group considers whether there are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods or services, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Sale of goods - food and beverage revenue

Revenue from the sale of beverages and food is recognised at a point in time when the physical control of the goods passes to the customer.

(ii) Provision of services - gaming revenue

Revenue from rendering services from gaming facilities to members and other patrons is recognised when the services are provided. Gaming revenue is measured at the fair value of the consideration received from the net position of the wagers placed less customer winnings paid out. Commission income where the Group acts as an agent for third parties who provide wagering services to members and guests is recognised at a point in time when the wagering transactions has been completed.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

(b) Accounting policies and significant judgements (continued)

(iii) Provision of services - golf revenue

Revenue from the sale of goods and provision of services is recognised at a point in time when the physical control of the goods passes or the service is provided to the customer. Membership subscriptions are recognised over the term of the membership and any unearned portion is deferred and included in contract liabilities.

(iv) Residential aged care revenue

The Group recognises revenue from aged care services over time as performance obligations are satisfied, which is as the services are rendered, primarily on a daily or monthly basis. Revenue arises from discretionary and non-discretionary services, as agreed in a single contract with the resident. Fees received in advance of agreed aged care services performed are recognised as contract liabilities and are included within other liabilities.

Residential aged care revenue comprises of the following:

Department of Health and Aged Care revenue - reflects the Group's entitlement to revenue from the Australian Government based upon the specific care and accommodation needs of the individual residents. Revenue funded by the Government is derived under the Group's contracts with customers and comprises of basic subsidy amounts calculated in accordance with Aged Care Funding Instrument, accommodation supplements, funding for short term respite residents and other Government Incomes.

Resident fees and accommodation - residents are charged a basic daily fee as a contribution to the provision of care and accommodation which are regulated by the Australian Government. Other fees charged to the residents in relation to care and accommodation services including Daily Accommodation Payments (DAP), means tested care fees, rescom fees and other sundry services provided by the Group. These services are recognised over time as the service is provided.

(v) Other revenue

Included within other revenue is membership subscriptions which are recognised over the term of the membership and any unearned portion is deferred and included in contract liabilities. Membership revenue is measured with reference to the fee received and the period of membership that the member has paid for.

The balance of other revenue is recognised at a point in time when the performance obligation has been satisfied.

3 Other income and expense items

	2023	2022
	\$	\$
(a) Other income		
Other income	88,637	63,941
Interest income	1,300,041	740,215
Government stimulus funding - Jobsaver	-	1,118,937
Government stimulus funding - Aged care support grant and bonus payment	77,535	1,682,168
Gain on disposal of property, plant and equipment	1,024	123,614
	<u>1,467,237</u>	<u>3,728,875</u>

(i) Other income

Other income is recognised on an accruals basis.

(ii) Interest income

Interest income is recognised on an accruals basis.

(iii) Government stimulus funding

The Group recognises stimulus funding from the Australian Taxation Office, Service NSW and Department of Health when it is considered to be receivable.

(iv) Gain on disposal of property, plant and equipment

The Group recognises gains on disposals of property, plant and equipment when it is considered to be receivable.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

3 Other income and expense items (continued)

	2023 \$	2022 \$
(b) Other expenses		
Cost of goods sold		
Beverage trading	651,739	403,414
Catering	38,706	15,727
Total - cost of goods sold	690,445	419,141
Other expenses		
Catering expenses	198,394	126,257
External catering expenses	53,127	49,697
Beverage trading expenses	60,265	26,357
Gaming machine expenses & taxes	2,930,131	1,743,496
Gymnasium expenses	245	2,665
Golf expenses	737,045	418,794
Membership expenses	64,884	33,601
Aged care facility expenses	3,264,974	4,461,192
Entertainment & promotions	1,050,909	791,149
Occupancy expenses	768,071	740,093
Repairs & maintenance (excluding gaming)	424,650	423,274
Consultancy fees	210,749	234,265
Computer expenses	237,381	171,107
Insurance	342,787	278,483
Miscellaneous	792,518	751,967
Total - other expenses	11,136,130	10,252,397
Employee benefits expense		
Wages	11,086,253	11,086,652
Superannuation expense	1,162,922	1,083,980
Annual & long service leave expense	931,355	755,145
Fringe benefits tax	284,788	49,259
Other employee remuneration and benefits	84,523	82,708
Total - employee benefits expense	13,549,841	13,057,744
Finance costs		
Interest expense - bank loans	544,703	321,748
Imputed interest charge on RADs (i)	1,284,938	673,036
Interest expense - other	16,447	7,046
Total - finance costs	1,846,088	1,001,830

(i) Imputed interest charge on RADs

The fair value of non-cash consideration (in the form of an interest free loan) received from a resident, that has elected to pay a RAD is recognised as income and correspondingly, an interest expenses with no net impact on profit or loss.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

4 Income tax expense

2023	2022
\$	\$

(a) Numerical reconciliation of income tax expense to prima facie tax payable

The Income Tax Assessment Act 1936 (amended) provides that under the concept of mutuality, the Company is only liable for income tax on income derived from non-members and from outside entities. The controlled entity is exempt from income tax under section 50 of the Income Tax Assessment Act 1997. The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been provided on a taxable income calculated as follows:

Operating profit/(loss) before income tax	(2,931,632)	(3,628,201)
Tax at the Australian tax rate at 25% (2022: 25%)	(732,908)	(907,050)
Add/(Less) tax effect of:		
Non deductible expenses	(93,300)	(181,779)
Apportionment adjustment members income and expenses	411,829	344,283
Non assessable and non deductible items due to tax exempt status of controlled entity	387,228	644,022
Income tax expense	<u>(27,151)</u>	<u>(100,524)</u>

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of profit or loss and other comprehensive income.

5 Cash and cash equivalents**Current**

Cash and cash equivalents	6,797,817	2,838,572
	<u>6,797,817</u>	<u>2,838,572</u>

Accounting policy

Cash and short-term deposits in the Statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts (if any).

Richmond Club Limited & Controlled Entity
Notes to the financial statements
For the year ended 30 June 2023

6 Trade receivables

	2023	2022
	\$	\$
Current		
Trade receivables	508,003	765,094
	<u>508,003</u>	<u>765,094</u>

Accounting policy

Trade receivables are recognised initially at the amount of the consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost. Trade receivables are generally due within 30 days from the date of recognition.

7 Inventories

Current		
Inventory on hand	65,789	56,908
	<u>65,789</u>	<u>56,908</u>

Accounting policy

Inventories are measured at the lower of cost and current replacement cost.

8 Financial assets at amortised cost

Current		
Other receivables	173,093	223,843
	<u>173,093</u>	<u>223,843</u>

Accounting policy

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method.

9 Other assets

Current		
Prepayments	111,784	57,405
	<u>111,784</u>	<u>57,405</u>
Non-current		
Other assets	7,176	5,489
	<u>7,176</u>	<u>5,489</u>

Accounting policy

This includes prepayments made in advance for goods and services which are to be received in a future period.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

10 Property, plant and equipment

	Leasehold improvements \$	Freehold land & building \$	Plant and equipment \$	Capital WIP \$	Total \$
Non-current assets					
At 1 July 2022					
Cost	758,756	50,452,835	13,146,337	333,998	64,691,926
Accumulated depreciation	(417,930)	(2,749,838)	(8,887,912)	-	(12,055,680)
Net book amount	340,826	47,702,997	4,258,425	333,998	52,636,246
Year ended 30 June 2023					
Opening net book amount	340,826	47,702,997	4,258,425	333,998	52,636,246
Additions	8,427	19,255	318,844	66,230	412,756
Disposals	-	-	(170,473)	-	(170,473)
Depreciation charge	(48,432)	(908,115)	(1,172,238)	-	(2,128,785)
Closing net book amount	300,821	46,814,137	3,234,558	400,228	50,749,744
At 30 June 2023					
Cost	767,184	50,472,090	13,273,279	400,228	64,912,781
Accumulated depreciation	(466,363)	(3,657,953)	(10,038,721)	-	(14,163,037)
Net book amount	300,821	46,814,137	3,234,558	400,228	50,749,744

Accounting policy**(a) Land and buildings**

Freehold land and buildings are shown at their fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Freehold land and buildings were revalued on 30 June 2020 by Nelson Partners Australia. Nelson Partners Australia frequently assess the market values for properties similar to those held by the Group, having regard to past sales prices of other properties and current market conditions.

Given the volatility of the Club, Aged Care and Golf industries, as well as the related property markets during the period since Covid began in March 2020, the Board has decided to retain the existing valuation until the related industries and property performances have normalised and will result in a reliable valuation. It is expected that a valuation will be performed in the year ended 30 June 2024.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of gain on revaluation of land and buildings. All other decreases are charged to the statement of profit or loss and other comprehensive income.

As the revalued buildings are depreciated, the difference between depreciation recognised in the income statement, which is based on the revalued carrying amount of the asset, and the depreciation based on the assets original cost is transferred from the revaluation surplus to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings that have been contributed at no cost, or for nominal costs, are valued and recognised at the fair value of the asset at the date it is acquired.

(b) Plant and equipment

Plant and equipment and leasehold improvements is carried at cost less any accumulated depreciation and any impairment in value.

(c) Depreciation

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Buildings and leasehold improvements	5 - 40 years
Plant and equipment	2 - 10 years

(d) Impairment

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash in flows, the recoverable amount is determined for the cash generating unit in which the asset belongs.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

10 Property, plant and equipment (continued)

(d) Impairment (continued)

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the future economic benefits of an asset are not dependant on the asset's ability to generate net cash inflows and if deprived of the asset the Group would replace its remaining future economic benefit, value in use is determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the statement of profit or loss and other comprehensive income as a separate line item.

11 Intangible assets

	Corporate branding	Poker machine entitlements	Bed licences	2023	2022
	\$	\$	\$	\$	\$
Non-current assets					
As at 30 June 2023					
Cost	396,576	206,666	2,690,311	3,293,553	3,293,553
Accumulated amortisation	(354,562)	-	(1,709,580)	(2,064,142)	(1,043,754)
Net book amount	42,014	206,666	980,731	1,229,411	2,249,799
Reconciliation					
Opening net book amount	81,671	206,666	1,961,462	2,249,799	3,018,306
Amortisation charge	(39,657)	-	(980,731)	(1,020,388)	(768,507)
Closing net book amount	42,014	206,666	980,731	1,229,411	2,249,799

Accounting policy

(i) *Poker machine entitlements*

Poker machine entitlements are intangible assets acquired separately and are capitalised at cost, the useful lives of these intangible assets are assessed to be indefinite. These are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired.

The poker machine entitlements, were tested for impairment having regard to the market value of such entitlements and the cash flow generated from holding these assets, with no impairment loss adjustment required.

(ii) *Bed licences*

A 'bed licence' refers to a place that was allocated and has since become available for a person to receive residential aged care. In previous periods, available bed licenses were assessed as having an indefinite useful life as they were issued for an unlimited period. In September 2021 the Australian Government announced its decision to discontinue operational place/bed licences from 1 July 2024 following a discussion paper published by the Department of Health and Aged Care which confirmed the government 2021-2022 Budget decision to discontinue Aged Care Approval Rounds. Following the Government's announcement and the information provided in the discussion paper in September 2021 and in accordance with Accounting Standards and guidelines issued by the Australian Securities and Investments Commission ("ASIC") the Group expects that the remaining useful lives of the bed licences will not extend beyond 1 July 2024, and have therefore determined that, notwithstanding the Directors' view that the fair value less cost to dispose of these bed licences is nil, amortisation of bed licences from 1 October 2021 to 30 June 2024 on a straight-line basis is required.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

12 Leases assets and lease liabilities

2023
\$

2022
\$

The Group leases several assets including poker machines, motor vehicles and golf equipment.

a) Lease asset

Non-current

Carrying amount of lease assets, by class of underlying asset:

Plant and equipment	1,293,666	718,124
---------------------	-----------	---------

Reconciliation of lease assets

Carrying amount at the beginning of the year	718,124	705,235
Additions	846,585	164,920
Transfers to property, plant and equipment	-	-
Amortisation	(271,043)	(152,031)
Carrying amount at the end of the year	1,293,666	718,124

b) Lease liabilities

Current

Lease liabilities	374,377	217,411
-------------------	---------	---------

Non-current

Lease liabilities	612,773	276,461
-------------------	---------	---------

Total	987,150	493,872
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Reconciliation of lease liabilities

Carrying amount at the beginning of the year	493,872	620,700
Additions	846,585	164,920
Interest expense	23,177	21,189
Lease payments	(376,484)	(312,937)
Carrying amount at the end of the year	987,150	493,872

Maturity analysis of future lease payments

Not later than 1 year	399,232	246,862
Later than 1 year and not later than 5 years	637,240	317,281
Later than 5 years	-	12,537
Lease payments	1,036,472	576,680

Accounting policy

A lease is a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still, or now contains, a lease.

The term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

At inception, a lease asset and a lease liability is recognised. Lease assets are included in the statement of financial position and grouped in classes of similar underlying assets.

Lease assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- an estimate of costs to be incurred in dismantling and removing the underlying asset;
- any initial direct costs incurred;

At the commencement date of the lease, the lease liability is initially recognised for the present value of non-cancellable lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The weighted average incremental borrowing rate is 4.02%.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

12 Lease assets and lease liabilities (continued)

The lease payment used in the calculation of the lease liabilities includes variable payments when they relate to an index or rate. Where leases contain variable lease payments based on an index or rate at a future point in time, the Group has only included the known CPI increases to date and not estimated future CPI-related increases.

The Group does not recognise leases that have a lease term of 12 months or less or are of low value as a lease asset or lease liability. The lease payments associated with these leases are recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

13 Deferred tax balances

	2023 \$	2022 \$
(i) <i>Deferred tax assets</i>		
The balance comprises temporary differences attributable to:		
Provisions	36,926	47,208
Lease liabilities	52,154	45,086
Carried forward tax losses	347,709	347,630
	<u>436,789</u>	<u>439,924</u>
Movements		
At 1 July 2022	439,924	494,130
(Charged)/credited to statement of profit or loss and other comprehensive income	(3,135)	(54,206)
At 30 June 2023	<u>436,789</u>	<u>439,924</u>
(i) <i>Deferred tax liabilities</i>		
The balance comprises temporary differences attributable to:		
Land and building	1,749,296	1,749,296
Lease assets	76,389	60,115
Other	606	463
	<u>1,826,291</u>	<u>1,809,874</u>
Movements		
At 1 July 2022	1,809,874	1,763,556
Charged/(credited) to statement of profit or loss	16,417	46,318
At 30 June 2023	<u>1,826,291</u>	<u>1,809,874</u>

Accounting policy

Deferred tax assets and liabilities are recognised for deductible and temporary differences where considered material. Deferred tax assets in respect of unused tax losses are only recognised to the extent it is probable that a taxable profit will be available against which deductible temporary differences and carried forward tax losses can be utilised if material.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on the tax rates (and tax law) that have been enacted or substantively enacted at the statement of financial position date.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

14 Trade and other payables

	2023 \$	2022 \$
Current		
Trade payables	1,140,466	1,155,348
Other payables and accruals	908,549	1,336,459
GST payable	489,140	1,485,126
	<u>2,538,155</u>	<u>3,976,933</u>

Accounting policy

Trade and other payables, including accruals, are recorded initially at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing. Trade accounts payable are normally settled within 30 days.

15 Financial liabilities

Current

Secured

Bank loans (i)	7,227,078	7,837,800
Other loans (ii)	394,995	468,009
Total secured financial liabilities	<u>7,622,073</u>	<u>8,305,809</u>

Unsecured

Resident loans	22,895,392	16,762,595
Total unsecured financial liabilities	<u>22,895,392</u>	<u>16,762,595</u>
	<u>30,517,465</u>	<u>25,068,404</u>

Non-current

Secured

Other loans (ii)	35,388	339,730
Total secured financial liabilities	<u>35,388</u>	<u>339,730</u>

(i) Bank loans

At 30 June 2023 the Group has a \$9,377,078 facility with the Westpac Bank with available committed capacity (undrawn) of \$2,125,468 under this facility. The Group has provided security as follows:

- First registered mortgage over the property at 110 / 116 March Street, Richmond, NSW;
- First registered mortgage over the property at 6 East Market Street, Richmond, NSW;
- General security agreement over all existing and future assets and undertakings of the Group.

(ii) Other loans

The other loans are secured by a fixed charge over the specific assets that are financed.

Accounting policy

Financial liabilities are initially recognised at fair value, net of transaction costs incurred. Borrowing costs are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Resident loans comprise refundable accommodation deposits (RAD's) which are a non-interest bearing deposit paid or payable to an approved provider by a resident for the residents accommodation in an aged care facility. Residents can choose to pay a full lump-sum RAD, a regular rental-type payment called a 'daily accommodation payment' (DAP), or a combination of both.

RADs are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Due to RADs becoming payable upon short notice, their carrying value approximates their fair value.

RAD refunds are guaranteed by the Federal Government under the prudential standards legislation. Providers are required to have sufficient liquidity to ensure they can refund the RAD balances as they fall due in the following twelve months. Providers are also required to implement and maintain a liquidity management strategy. There is no right to defer payment for twelve months and therefore RAD liabilities are recorded as current liabilities.

Richmond Club Limited & Controlled Entity
Notes to the financial statements
For the year ended 30 June 2023

16 Provisions

	2023 \$	2022 \$
Current		
Employee entitlements (i) & (ii)	1,153,984	1,065,609
	<u>1,153,984</u>	<u>1,065,609</u>
Non-current		
Employee entitlements (ii)	248,782	162,305
	<u>248,782</u>	<u>162,305</u>

Accounting policy

(i) *Annual leave*

Liabilities for annual leave expected to be settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Any annual leave expected to be settled beyond 12 months of the reporting date is measured at the present value of expected future payments.

(ii) *Long service leave*

The liabilities for long service leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage levels and period of service. Discount rates of the Australian bond rates matching the estimated future cash outflows have been used.

17 Other liabilities

Current

Contract liabilities - membership income (i)	362,493	358,656
Contract liabilities - other income (i)	22,032	83,305
	<u>384,525</u>	<u>441,961</u>

(i) *Contract liabilities*

Contract liabilities generally represent the membership subscriptions and other income received in advance which is held until the performance obligation has been satisfied. The services provided are usually provided or the conditions usually fulfilled within 12 months.

Accounting policy

Revenues received in advance are recorded as a contract liability if they are in relation to contracts with customers under AASB 15 and recognised as revenue when they are earned in future periods.

18 Reserves

	Asset revaluation \$	Total \$
Balance at 1 July 2022	10,383,903	10,383,903
Balance at 30 June 2023	<u>10,383,988</u>	<u>10,383,903</u>

(i) *Nature and purpose of reserves*

Asset revaluation

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

19 Contingent liabilities

There are no contingent liabilities as at the date of this report.

20 Related parties

Transactions between related parties are on normal commercial terms and conditions, and are no more favourable than those available to other parties unless otherwise stated.

	2023 \$	2022 \$
(a) <i>Key management personnel compensation</i>		
Total key management personnel benefits	1,531,398	1,171,108
(b) <i>Subsidiary entity and transactions</i>		

The subsidiary entity is Hawkesbury Living Pty Limited, a company limited by guarantee incorporated in New South Wales. At 30 June 2023 the Company was the sole member of Hawkesbury Living Pty Limited.

Hawkesbury Living Pty Limited has provided a loan to Richmond Club Limited. As at 30 June 2023 the Company owed Hawkesbury Living Pty Limited \$9,547,775 (2022: \$9,714,564).

Transactions between the Company and its Controlled Entity during the financial year include:

Rent paid by Hawkesbury Living Pty Limited to the Company	765,500	765,500
Interest paid by the Company to Hawkesbury Living Pty Ltd	634,749	279,853

(c) *Other related party transactions*

Transactions between other related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Other related party transactions include:

- Ethan Talbot, the son of Group CEO Kimberley Talbot is employed by subsidiary company Hawkesbury Living Pty Limited on an arms length basis.
- Jarred Reilly, the son of former Director Scott Reilly (resigned May 2023) is employed by Richmond Club Ltd on an arms
- Director James Bullock supplies motor vehicle services to the Company on an arms length basis.

21 Remuneration of auditors

Auditor of the company

Audit of the financial statements	61,500	57,700
Other assurance services	4,000	3,700
Other services - taxation compliance services	1,600	1,500
	67,100	62,900

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

23 Core and non-core property

Pursuant to Section 41E(5) of the Registered Clubs Act 1976 (NSW) for the financial year ended, the following land and buildings are considered to be core and non-core property:

Core Property

- 5 Toxana Street, Richmond, NSW 2753, also known as 6 East Market Street Richmond, NSW, 2753
- 8 East Market Street, Richmond, NSW, 2753
- 9 Toxana Street, Richmond, NSW, 2753
- 34 Bourke Street, Richmond, NSW, 2753

Non - Core Property

- 71 Francis Street, Richmond, NSW, 2753
 - 116 March Street, Richmond NSW 2753
 - 122 March Street, Richmond NSW 2753
 - 87 Francis Street, Richmond NSW 2753
- The land on the corner of Francis Street and East Market Street.

24 Parent entity financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2023 \$	2022 \$
Balance Sheet		
Assets		
Current assets	835,349	561,962
Non-current assets	38,715,431	39,406,006
Total assets	<u>39,550,780</u>	<u>39,967,968</u>
Liabilities		
Current liabilities	10,539,969	9,275,345
Non-current liabilities	11,964,479	12,134,430
Total liabilities	<u>22,504,448</u>	<u>21,409,775</u>
Members funds		
Reserves	10,383,903	10,383,903
Retained earnings	6,662,429	8,174,290
Total members funds	<u>17,046,332</u>	<u>18,558,193</u>
Profit /(loss) for the year after tax	<u>(1,511,861)</u>	<u>(1,052,113)</u>
Total comprehensive income / (loss) for the year	<u>(1,511,861)</u>	<u>(1,052,113)</u>

The financial information for the parent entity, Richmond Club Limited, has been prepared on the same basis as the consolidated financial statements, except in relation to investments in subsidiaries. Investments in subsidiaries are accounted for at cost in the financial statements of Richmond Club Limited. Any distributions received from subsidiaries are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Richmond Club Limited & Controlled Entity

Notes to the financial statements

For the year ended 30 June 2023

25 Critical accounting estimates and judgements

Management is required to make judgements, estimates and assumptions about reported amounts of assets, liabilities, income and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustment in the next period are disclosed where applicable, in the relevant notes to the financial statements:


- Estimation of useful lives of non-current assets (notes 10, 11 and 12(a)) - The useful life of property, plant and equipment, intangible assets and lease assets (where useful life is greater than the lease term) is initially assessed at the date the asset is ready for use and reassessed at each reporting date based on the use of the assets and the period over which economic benefits will be derived from the asset. There is uncertainty in relation to the assessment of the life of the asset including factors such as the rate of wear and tear and technical obsolescence. The useful life of poker machine entitlements classified as an intangible asset has been assessed as indefinite. The useful life of bed licences was previously assessed as indefinite and following legislative change now has a definite life. Refer note 11 for further details. There is uncertainty in relation to these assumptions as they are based on current legislation and conditions attached to the licences. The estimates and judgements involved may impact the carrying value of the non-current assets and the depreciation and amortisation charges recorded in the statement of profit or loss and other comprehensive income should they change.
- Estimated fair value of land and buildings - The fair value of land and buildings is estimated at each reporting date, based on independent assessments of the market value of the property conducted generally every three years and other available knowledge of current market prices. Estimation uncertainty exists and is related to the various assumptions used in determining the fair value.
- Impairment of non-current assets (note 10, 11 and 12(a)) - Impairment testing of non-current assets is performed where indicators of impairment exist or annually for indefinite life intangible assets. In assessing impairment, estimates are made of the recoverable amount of each asset or cash generating unit based on discounted expected future cash flows or estimated replacement cost. Estimation uncertainty exists in relation to assumptions regarding future operating results and cash flows, determination of an appropriate discount rate and estimated current replacement cost of the asset.

Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 19 to 37 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.


Geoffrey Luscombe - Chairman

31 October 2023
Richmond, NSW

Independent auditor's report to the members of Richmond Club Limited

Opinion

We have audited the financial report of Richmond Club Limited (the Company) and its subsidiary (the Group) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter - uncertainty related to going concern

Without modifying our opinion, we draw attention to Note 1(d) to the financial report, which indicates that the Group has a deficiency in working capital such that current liabilities exceed current assets by \$27,312,020 and incurred a loss after income tax of \$2,951,184 and recorded a negative operating cashflow of \$419,411. As stated in Note 1(d), these events or conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern, and therefore may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. The other information provided at the date of this report comprises the Chairman's Report and the CEO's Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing further to report in this regard.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Simplified Disclosures and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the Company for the year ended 30 June 2023 included on the Company's web site. The Company's Directors are responsible for the integrity of the Company's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.


Shaun Mahony - Partner

Pitcher Partners NH Partnership
Chartered Accountants

31 October 2023
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Hawkesbury Living Cancer Trust

Annual Financial Report for
the year ended 30 June 2023

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Contents	Page
Financial statements	
Statement of income and expenditure	43
Statement of financial position	44
Statement of distribution	45
Notes to the financial statements	46
Trustees' declaration	47
Independent auditor's report to the trustees	49-50

HAWKESBURY LIVING CANCER TRUST

STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 2023

	Notes	2023 \$	2022 \$
INCOME			
Donations Received		3,697	20,000
Interest Received		151	640
TOTAL INCOME		3,848	20,640
EXPENDITURE			
Bank Charges		31	184
Depreciation		4,117	4,117
Sundry Expenses		2,611	2,633
Website Expenses		1,200	1,200
TOTAL EXPENDITURE		7,959	8,134
NET PROFIT		(4,111)	12,506
INCOME TAX EXPENSE		-	-
NET PROFIT AFTER TAX		(4,111)	12,506

The above statement of income and expenditure should be read in conjunction with the accompanying notes

D.Guy, V. Leggett, G. Colless, J. O'Brien and K. Talbot
AS TRUSTEES FOR
HAWKESBURY LIVING CANCER TRUST
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Notes	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	2	474,190	694,176
TOTAL CURRENT ASSETS		474,190	694,176
NON-CURRENT ASSETS			
Intangibles	3	4,117	8,233
Plant and Equipment	4	-	-
TOTAL NON-CURRENT ASSETS		4,117	8,233
TOTAL ASSETS		478,307	702,409
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	9,880	9,871
TOTAL CURRENT LIABILITIES		9,880	9,871
TOTAL LIABILITIES		9,880	9,871
NET ASSETS		468,427	692,538
EQUITY			
Settlement Sum		100	100
Retained Earnings		468,327	692,438
TOTAL EQUITY		468,427	692,538

The above statement of income and expenditure should be read in conjunction with the accompanying notes

**D.Guy, V. Leggett, G. Colless, J. O'Brien and K. Talbot
AS TRUSTEES FOR
HAWKESBURY LIVING CANCER TRUST**

**STATEMENT OF DISTRIBUTION
AS AT 30 JUNE 2023**

	2023 \$
Accumulated Earnings as at 1 July 2021	1,053,975
Net Profit for the year ended 30 June 2022	12,506
Accumulated Earnings before distribution	<u>1,066,481</u>
less: Distributions made during the year ended 30 June 2022	(374,043)
Accumulated Earnings as at 1 July 2022	<u>692,438</u>
Net Profit for the year ended 30 June 2023	(4,111)
Accumulated Earnings before distribution	<u>688,327</u>
less: Distributions made during the year ended 30 June 2023	(220,000)
Accumulated Earnings as at 30 June 2023	<u><u>468,327</u></u>

The above statement of income and expenditure should be read in conjunction with the accompanying notes

**D.Guy, V. Leggett, G. Colless, J. O'Brien and K. Talbot
AS TRUSTEES FOR
HAWKESBURY LIVING CANCER TRUST**

**NOTES TO FINANCIAL STATEMENTS
AS AT 30 JUNE 2023**

1 Summary of significant accounting policies

The Trustees of the trust have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements and have been prepared in accordance with the trust deed.

No accounting standards have been followed in the preparation of this financial report.

The financial statements have been prepared on a cash basis and are based on historical costs unless stated otherwise.

The following material accounting policies have been adopted in the preparation of this report.

Intangibles

Intangible assets are carried at cost less accumulated depreciation. The cost of intangible assets is recognised on the date of acquisition and depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

Plant and Equipment

Plant and equipment is carried at cost less accumulated depreciation. The cost of plant and equipment is recognised on the date of acquisition and depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

Other payables

Payables includes GST obligations which have arisen in the prior and current years.

2 Cash and cash equivalents

	2023	2022
	\$	\$
Current		
Cash and Cash Equivalents	474,190	694,176
	<u>474,190</u>	<u>694,176</u>

3 Intangibles

Non-Current

Intangibles at cost	12,350	12,350
Less Accumulated amortisation	(8,233)	(4,117)
	<u>4,117</u>	<u>8,233</u>

4 Plant and Equipment

Non-Current

Plant and Equipment at cost	1,480	1,480
Less Accumulated depreciation	(1,480)	(1,480)
	<u>-</u>	<u>-</u>

5 Trade and Other Payables

Current

Other Payables	9,880	9,871
	<u>9,880</u>	<u>9,871</u>

The above statement of income and expenditure should be read in conjunction with the accompanying notes

HAWKESBURY LIVING CANCER TRUST**TRUSTEES' DECLARATION**

The Trustees have determined that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in note 1 to the financial statements.

In the opinion of the trustees the financial report as at 30 June 2023 comprising the Statement of Financial Position, the Statement of Income and Expenditure, the Statement of Distribution and the notes to the financial statements:

- (i) Presents a true and fair view of the financial position of Hawkesbury Living Cancer Trust as at 30 June 2023 and its performance for the year ended on this date.
- (ii) At the date of this statement, there are reasonable grounds to believe that Hawkesbury Living Cancer Trust will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the trustees and is signed for and on behalf of the trustees by:



Duncan Guy - Trustee

Richmond, NSW
Dated: 3 November 2023

The above statement of income and expenditure should be read in conjunction with the accompanying notes



Independent auditor's report to the trustees of Hawkesbury Living Cancer Trust

Opinion

We have audited the financial report of Hawkesbury Living Cancer Trust (Trust) which comprises the statement of financial position as at 30 June 2023 the statement of income and expenditure, statement of distribution and the notes to the financial statements, including a summary of significant accounting policies, and the Trustees' declaration.

In our opinion, the accompanying financial report present fairly, in all material respects, the financial position of the Trust as at 30 June 2023 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Hawkesbury Living Cancer Trust in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trust's financial reporting responsibilities under the Trust Deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the financial report

The Trustees of the Trust are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 to the financial statements and the Trust Deed and for such internal control as the Trustees determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Trustee's are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trusts financial reporting process.

Matters relating to the electronic presentation of the audited financial report

The auditor's report relates to the financial report of the trust for the year ended 30 June 2023 included on the Trust's web site. The Trustees are responsible for the integrity of the Trust's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our audit report.



Shaun Mahony - Partner

Pitcher Partners NH Partnership
Chartered Accountants

Dated: 7 November 2023
Newcastle West, NSW

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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2023

